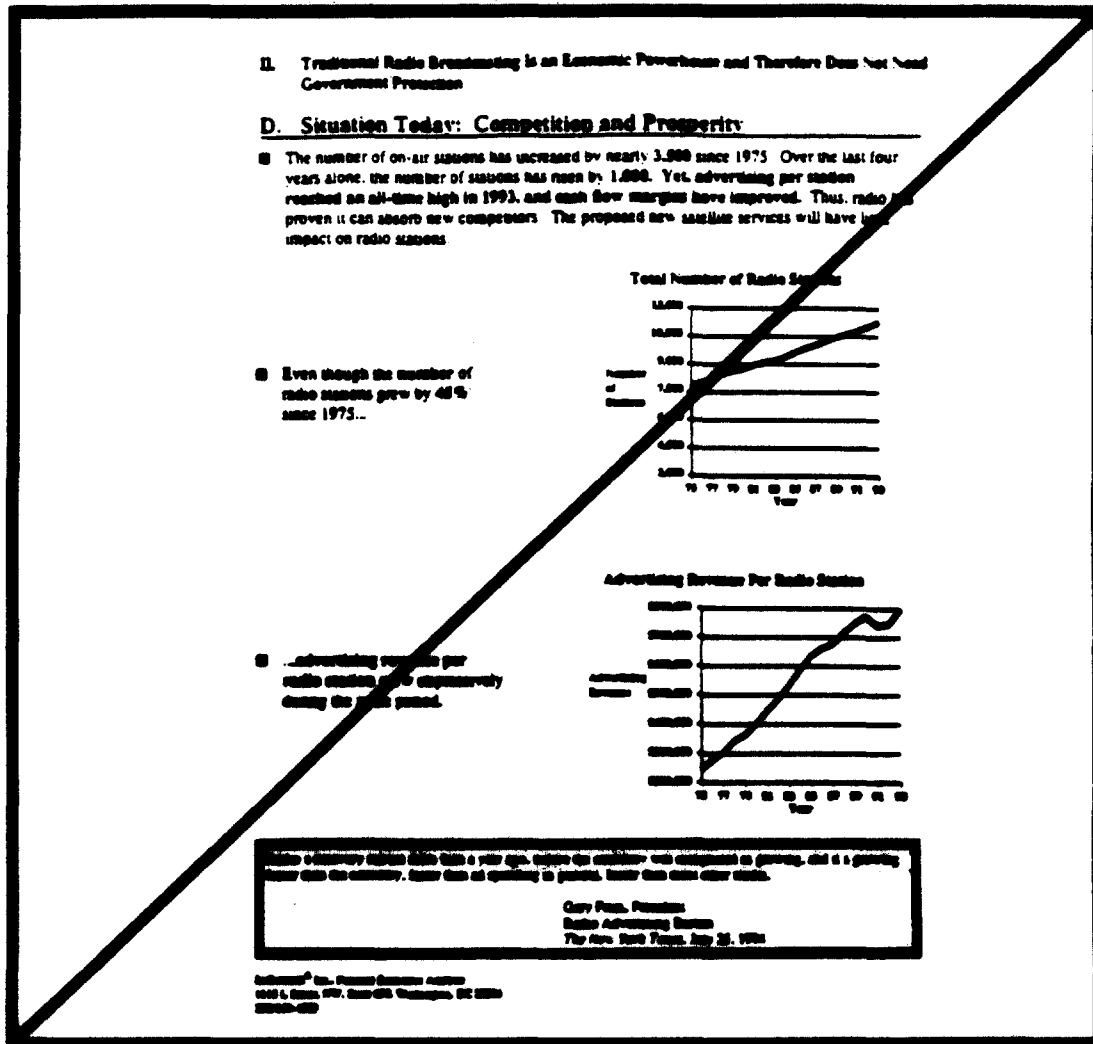
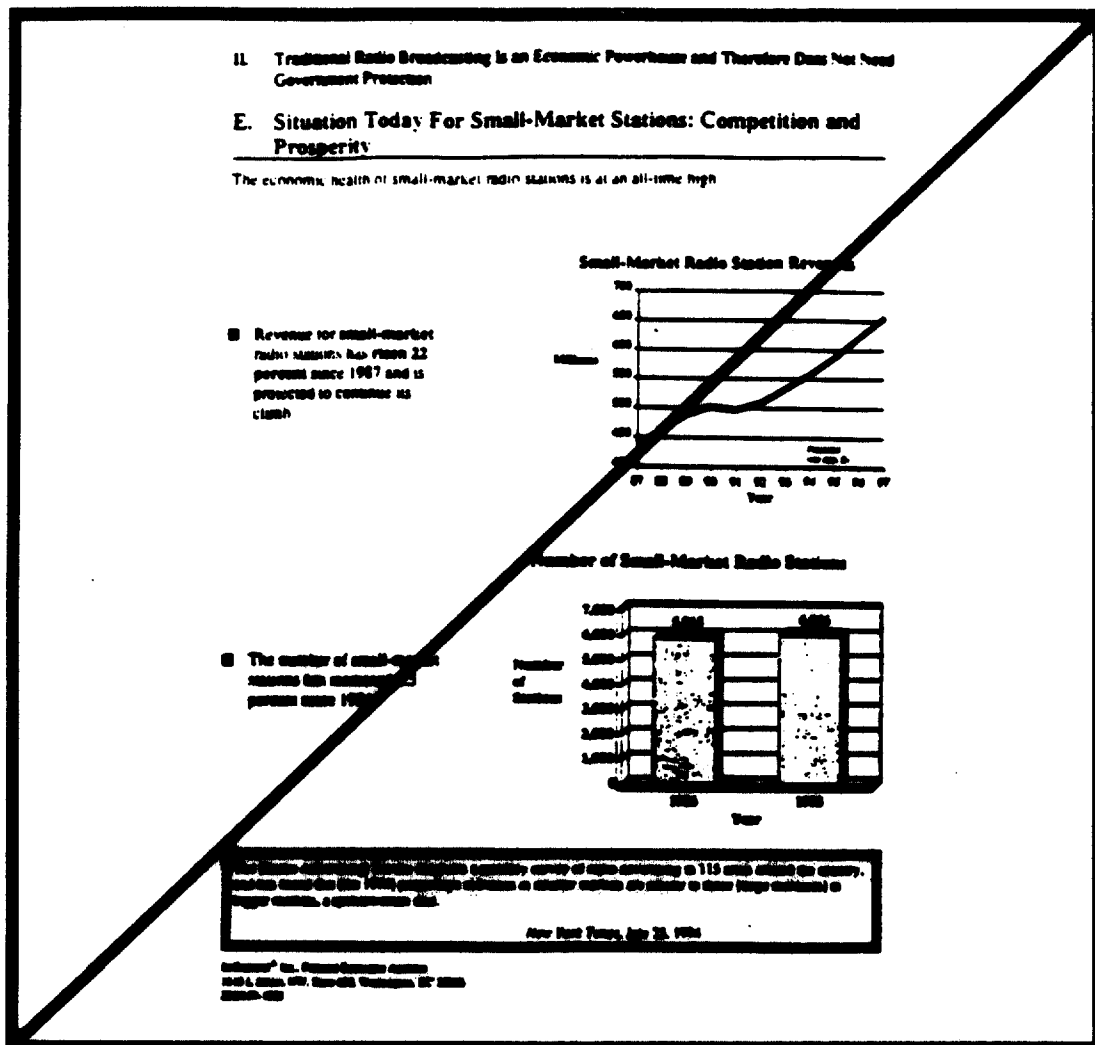


THE TRUTH ABOUT SATELLITE RADIO



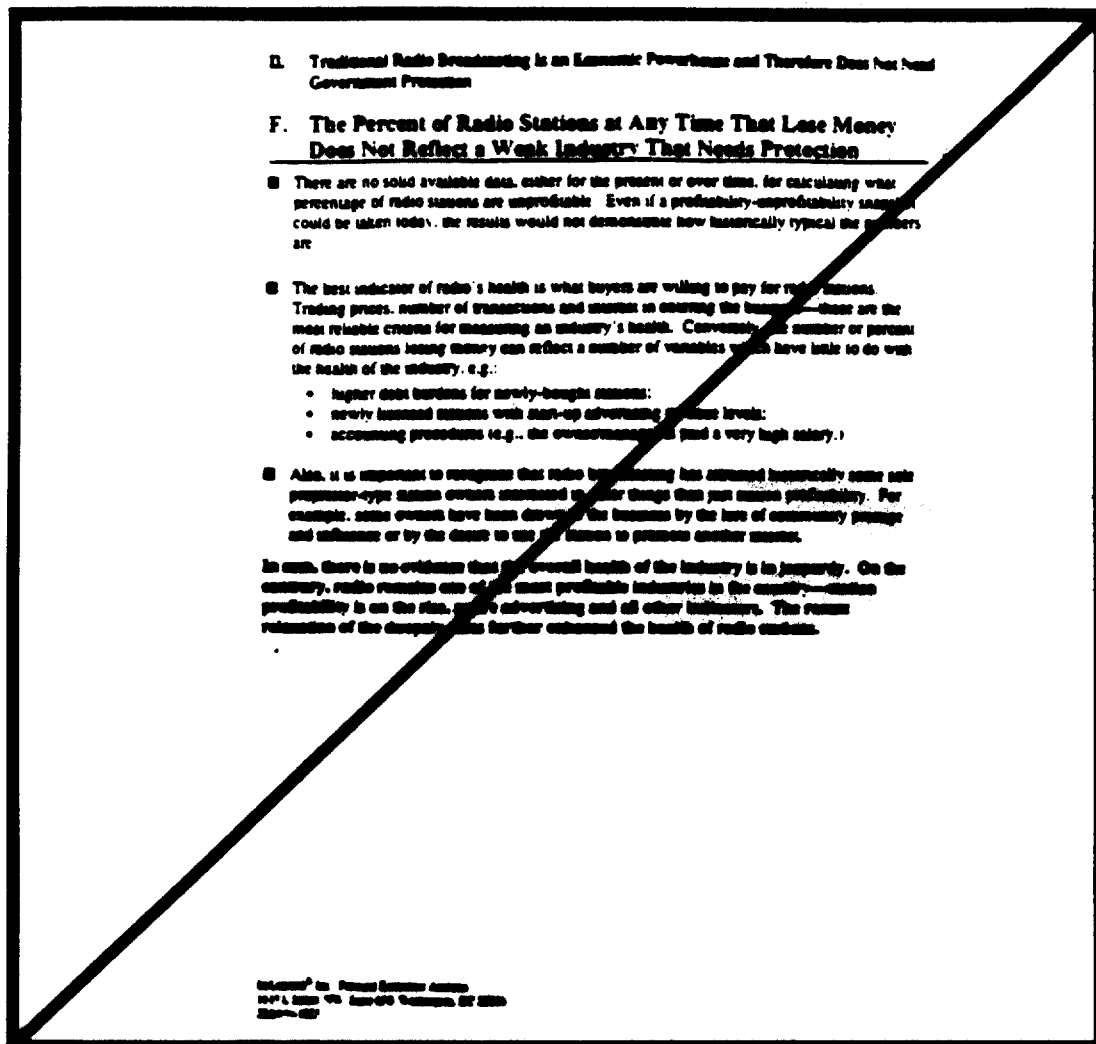
- As shown in the graph, advertising revenue per radio station has barely exceeded the late 1980s level, while station costs have continued to rise along with inflation. As a result, many stations' financial health and prognoses are worse today.

THE TRUTH ABOUT SATELLITE RADIO



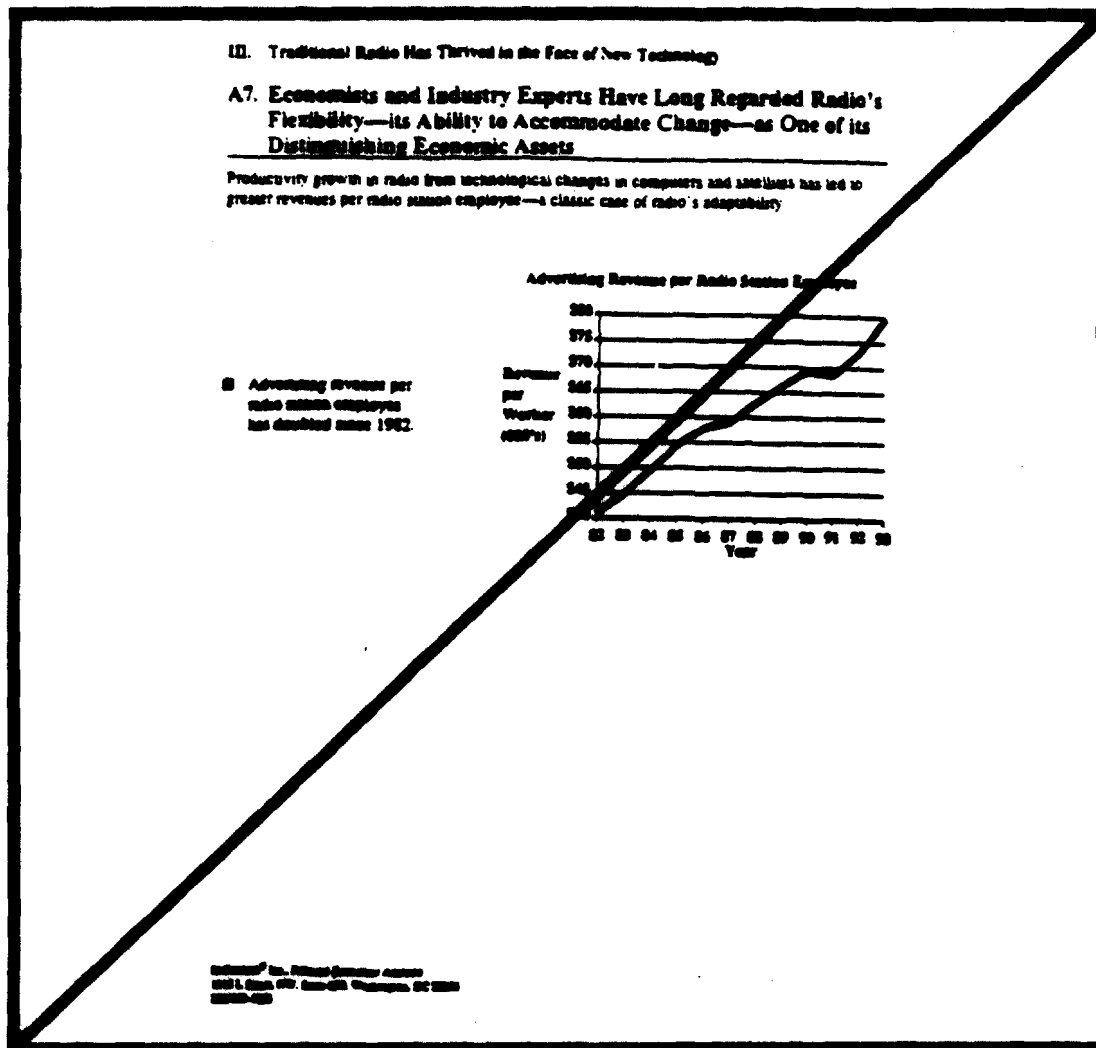
- The 22% revenue increase has not kept up with inflation since 1987 (24.9%) and, coupled with the increase in the number of stations, the revenue per station, in real terms, has decreased during this time period.

THE TRUTH ABOUT SATELLITE RADIO



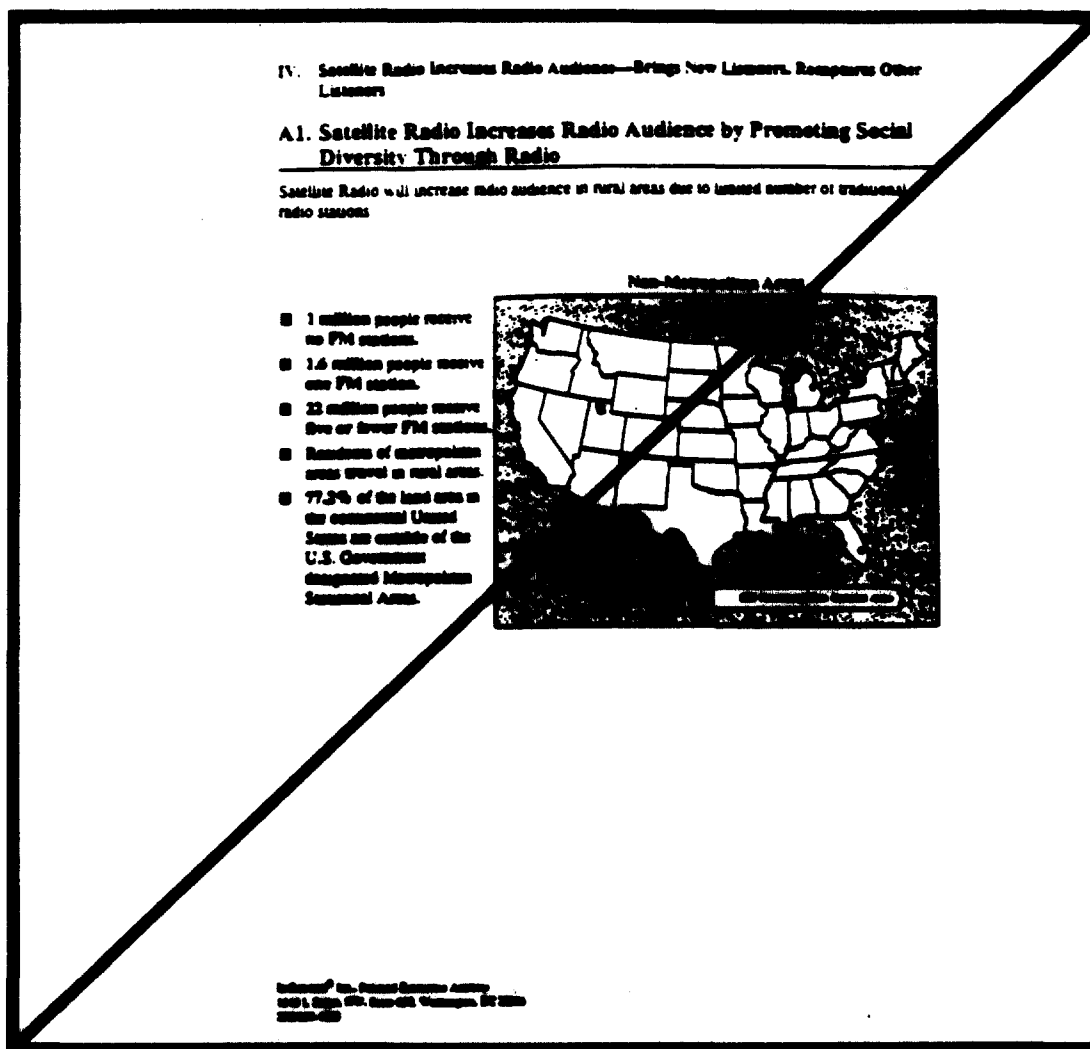
- Contrary to CD Radio, Inc.'s claim of "no solid available data," a nationwide survey of radio stations, conducted by Price Waterhouse (PW) in 1992, showed that nearly 60% of stations were losing money at that time. Unlike CD Radio, Inc's figures from only a selected group of stations owned by publicly-traded companies, the PW survey was based on a survey of the *entire* radio industry.

THE TRUTH ABOUT SATELLITE RADIO



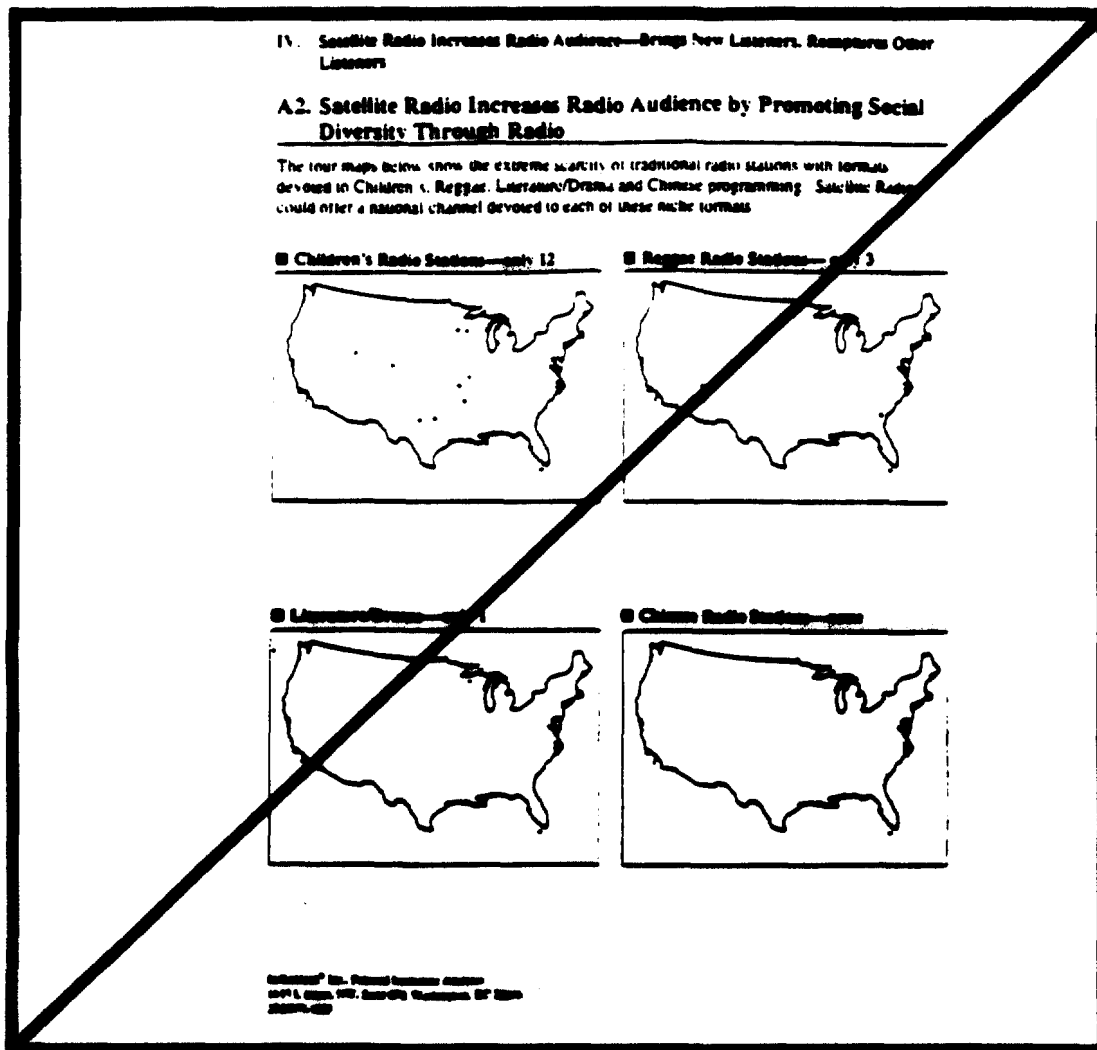
- CD Radio, Inc.'s claim neglects the importance of the costs of programming and other fixed costs in running a radio station.

THE TRUTH ABOUT SATELLITE RADIO



- NAB Radio Listenership Study of actual audience research data showed that in 1988 the average county in the U.S. received over 26 different radio signals. Even in the smallest counties of less than 1,000 population, an average of 10.5 different radio signals were heard.
- CD Radio, Inc.'s claim on the number of people not receiving FM stations is not backed up by citation.

THE TRUTH ABOUT SATELLITE RADIO



- The operative word in CD Radio, Inc.'s claim of offering socially diverse programming formats is that they "could," not "would." All evidence to date suggest that satellite service will merely duplicate "mainstream" programming to maximize profits.
- CD Radio, Inc. neglects to report the niche ethnic and alternative programming brokered by hour on many local stations to all listeners in many markets today -- programming that will vanish altogether if the local stations are driven out by satellite services.

THE TRUTH ABOUT SATELLITE RADIO

1. Satellite Radio Is Good For U.S. Economy

Technology Will Increase Industrial Base

The technology development:

- will strengthen U.S. industry.
- will create export opportunities.
- will increase professional jobs

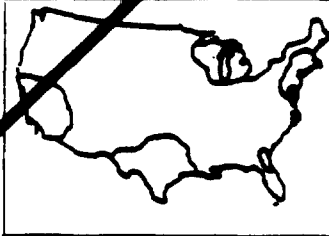

The technology development includes advances in satellite and radio design:

- miniature antennas.
- low noise radio amplifiers.
- multiplex multiplexers.
- high efficiency chipset processors.
- newer compression techniques.

Manufacturers Will Create Jobs and Corporate Profitability

- construction of satellites.
- launch and control of satellites.
- production of radio receivers and their components.
- installation and integration of radio equipment in cars.
- creation of music and talk shows.
- building program origination facilities.
- building satellite uplink and telemetry, tracking and command facilities.
- construction and operation of customer service centers.

GM, Ford, Chrysler, and Some States/Land are Already Involved.

Technology Development Jobs	Manufacturing Jobs
	

CD Radio, Inc. is a Canadian owned company.
100 L. Road, 4th Floor, Toronto, ON M5S 1A5
(416) 593-1000

- Most new receivers would be made in countries outside the U.S. CD Radio, Inc., a Canadian owned company, would launch its satellites with a French-made Ariane missile, from a foreign site. CD Radio, Inc.'s service would utilize European Eureka-147 technology.
- Satellite radio service would result in a net loss of U.S. jobs. By fragmenting local radio audiences, the resulting impact on stations' cash flow would cause reductions in station personnel across the country. By contrast, satellite radio services would employ relatively very few people.

ATTACHMENT 2

COMMENTS OF

MT. WILSON FM BROADCASTERS, INC
TICHENOR MEDIA SYSTEM, INC. and
WDKX-FM

in GEN. DOCKET NO. 90-357;
IB DOCKET NO. 95-91

BEFORE THE
Federal Communications Commission

In the Matter of	)	IB Docket No. 95-91
	)	GEN Docket No. 90-357
	)	RM No. 8610
Establishment of Rules and Policies for the	)	PP-24
Digital Audio Radio Satellite Service in the	)	PP-86
2310-2360 Mhz Frequency Band	)	PP-87

COMMENTS OF MT. WILSON FM BROADCASTERS, INC.

Mt. Wilson FM Broadcasters, Inc. (Mt. Wilson) licensee of Station KKGO-FM, Los Angeles, CA, hereby submits its Comments in the above captioned proceeding.^{1/}

1. The FCC is committed to fostering the provision of local programming both as to radio and TV. See Review of the Commission's Regulations Governing Programming Practices of Broadcast Television Networks and Affiliates, Notice of Proposed Rulemaking, MM Docket No. 95-92 at ¶10, released June 15, 1995 ("[We] ask commenters to address whether multichannel video programming distributors provide **sufficient local news and other programming responsive to community needs to satisfy the Commission's longstanding goal that the public receive these types of programming.**") (emphasis added). The instant Notice of Proposed Rulemaking (NPRM) recognizes that DARS will compete with terrestrial radio (Paragraphs 2, 3, 13, 17 and 20). While the potential threat of competition is no longer a basis for rejecting a new service, Commission

^{1/} In addition to Station KKGO-FM, Mt. Wilson is also the licensee of Stations KKGO(AM), Frazier park, CA.; KULA(AM), Honolulu, HI.; KNNS(AM), Beverly Hills, CA.; KNNZ(AM), Costa Mesa, CA.

concern for terrestrial radio is based upon the impact on the public interest, more specifically, the impact on the ability of local stations to continue to provide local programming directed to the community of license. Indeed, paragraphs 10-20 of the NPRM reflect the Commission effort to assess the potential DARS impact upon terrestrial radio in terms of adversely impacting upon localism. The role of terrestrial radio, in terms of localism, was succinctly described by Commissioner Ness in a speech delivered at the recent NAB New Orleans Convention, as follows:

“Since its inception in the early 1920's, radio broadcasting essentially has been a local service. History amply demonstrates that radio broadcasters have been responsive to the needs of their communities; providing news and information, weather and traffic reports, school closings, and the like---in addition to the music formats listeners... want to hear.”

2. Like the FCC, Mt. Wilson is also committed to fostering the provision of local programming. KKGO-FM is the only commercial, all classical radio station serving the counties of Los Angeles, Orange, San Bernardino and Riverside, and is dedicated to providing local programming and serving the needs of its community. Local cultural institutions rely upon station KKGO-FM for support of their respective programs. KKGO-FM provides more than 120 minutes of programming pertaining to public affairs, cultural affairs news and weather Monday through Friday as well as numerous local PSA's throughout the week. On Sunday, the station devotes two hours to public affairs programming, and another hour to promoting upcoming events at local performing arts centers and theaters and to interviews with artists who will perform at these local arenas. In total, station KKGO-FM provides more than 5 hours weekly to programming promoting the local arts. The station also devotes 32 hours a year to on-air fundraising for the Los Angeles Philharmonic (two 8 hour days, two times a year) and 8 hours a year to on-air fundraising for the Los Angeles Chamber Orchestra. In terms of dollars, the station donates about half a million dollars in

advertising time to the Los Angeles Philharmonic and the Hollywood Bowl Association. See letter of Ernest Fleischmann, Executive Vice President and Managing Director of the Los Angeles Philharmonic, to the Secretary of the Federal Communications Commission, dated July 21, 1995 (attached hereto as exhibit A). Virtually 100% of the station's programming is local.^{2/}

3. Classical music stations are an endangered species. There are approximately 50 commercial classical radio stations remaining in the United States many of which, including KKGO-FM, are of the so-called "Mom and Pop" variety. Generally, classical music stations will have a small share of the market and limited financial advertising support. According to Arbitron, Station KKGO-FM averages around a 1.7 audience share.^{3/}

4. While it is impossible to project precise audience loss resulting from DARS services, there is no doubt that DARS services, if licensed, will harm local radio stations economically and, therefore, have an adverse effect on the ability of local radio stations to provide local programming. Classical music radio stations lead a financially precarious existence and survive only because of the dedication of their owners. Any fragmentation of that audience will affect a station's ability to serve its community. Considering the relatively small audience attracted by Station KKGO-FM (or, for that matter, other classical music stations and/or other niche formatted stations), the loss of even a small percentage of its audience will predictably result in less local programming, less localism, indeed, perhaps the total loss of the station's format.

^{2/} All programming (other than remote) originates from the studio of Station KKGO-FM. Some programming, however, is syndicated.

^{3/} Station KKGO-FM is the lowest rated (and the lowest billing) Class B FM station in the Los Angeles Metro Market.

5. With respect to national advertising revenues, Station KKGO-FM receives approximately 30 to 40% of its total advertising revenues from national advertisers, an approximation probably more realistic for classical music stations (and, probably, most niche formatted stations) than the 17 to 18% set forth in the NPRM. Moreover, the availability of DARS services to a national advertiser would offer enhanced efficiency since a single advertising buy from a major advertiser to one DARS company could cover the entire United States. Pragmatically, a DARS company could offer national advertisers low predatory advertising rates at the outset which essentially would have the effect of substantially reducing national advertiser revenue to local stations and destroying the local radio infrastructure. With respect to niche-formatted stations such as KKGO-FM, it would virtually guarantee their demise.

6. Even if DARS service is offered on a purely subscription basis, it will significantly affect KKGO's ability to provide local programming. The one, two or three classical music stations offered by DARS will draw listeners away from the station's minuscule listener base of 1.7 percent, thus diminishing the perceived value of KKGO's air time. To best preserve the ability of a local radio station to provide local programming, DARS service providers should not be allowed to carry either local or national advertisements or to receive revenues of any nature from local or national advertisers. Income from local advertisers constitute 60 to 70 percent of KKGO's revenues, while national advertising contributes an amount equal to approximately 30 to 40 percent of KKGO's income. Clearly the loss of revenue from either local or national advertising will seriously threaten

the station's fragile existence and seriously undermine its ability to provide local programming.

DARS revenues should be restricted to a subscription basis on all DARS channels.^{4/}

7. The Commission cannot know and/or predict the impact of DARS on the ability of local radio stations to provide local programming. Therefore, the Commission should consider phasing in DARS services and assessing the impact on local programming at the end of each phase-in period. For instance, the Commission might limit the reception of DARS services to home receivers initially (specifically excluding automobiles, vans, trucks etc.) and review the impact of DARS on the programming of local stations after a three year period.^{5/} To risk the loss of local radio stations by allowing unlimited DARS service without a proper assessment clearly would be contrary to the public interest.

8. Mt. Wilson recognizes that the Commission has approved the DARS service. Nevertheless, the purpose of the instant NPRM is to develop rules which would allow terrestrial radio to compete on "an even playing field" and to continue to provide local oriented programming specifically tailored to the needs of the broadcaster's community of license, a public interest objective beyond the reach of a DARS operation. Obviously, signal distribution is a significant

^{4/} An all-subscription service is not novel to the broadcasting field. Section 73.643(a) of the Commission's rules adopted for subscription Television (Fourth Report and Order), 14RR 2d 1601(1968) provides as follows:

"No commercial advertising shall be carried during subscription television operations except for promotion of subscription television broadcast programs before and after such programs."

The rationale for the limitations placed on subscription television was to ensure the preservation of viable "free" TV stations, not unlike the Commission's current concern to ensure the continued viability of local radio stations.

^{5/} Cable radio has had only a limited impact because it is not heard in automobiles.

factor; the more widely the DARS signal is distributed, the greater the impact upon terrestrial radio stations. To effectuate DARS services, the proponents request the utilization of land based repeaters - a position which clearly indicates that satellite distribution by itself is not sufficiently advanced to provide DARS service on a nationwide basis.

9. The new technology (DARS) which the Commission has authorized (on the basis that new technology cannot be held back) should not be allowed to utilize conventional terrestrial radio methodology for signal distribution. Indeed, Commission rules do not allow terrestrial radio stations to construct and operate land based repeaters (translators) beyond their primary service area. To allow DARS to utilize traditional terrestrial radio distribution methodology and, further, to allow DARS to utilize such signal distribution in a manner prohibited to terrestrial radio would be both illogical and inequitable. The Commission has authorized a new nationwide service based on satellite distribution, not a service which is dependent upon "bootstrapping" itself to conventional terrestrial radio distribution methodology. The rules should restrict DARS signal distribution to satellite distribution.^{6/}

10. Related to the matter of "fair" competition is the status of terrestrial radio generally. Functional in-band digital operation (both AM and FM) for the terrestrial radio bands should be a prerequisite condition to the commencement of DARS service. Balancing the public interest factor of ensuring the preservation of local radio outweighs any delay to the implementation of DARS service.

^{6/} Existing technology (land based repeaters, i.e., translators) would permit FM radio service beyond a station's primary service contour without, in many cases, causing interference. Existing (and sensible) Commission rules, however, prohibit such operation, in the name of protecting local station operations.

11. Station KKGO-FM, a niche-formatted radio station, is located in Los Angeles, a major market. There are more than a dozen radio stations in the Los Angeles market that broadcast specialized formats, i.e., classical music, foreign language, jazz, ethnic oriented, etc. Niche-formatted stations located in a major market will be impacted upon as severely as general market stations located in medium and small markets. Indeed, and pragmatically, the greatest potential for the specialized programming provided by niche-formatted stations will be in the major markets because major markets will contain numerically the largest diversity. The fragmentation of that small niche audience, and the reduction of advertiser revenue (both national and local) must have an adverse impact upon such niche-formatted stations.

12. DARS services will not provide grass roots programming to local communities. DARS services, however, will adversely impact upon local stations including niche-formatted stations in major markets. While DARS services may offer a choice of classical music formats, DARS will not and cannot make the contribution to the Los Angeles community provided by KKGO-FM. To preserve localism, it is incumbent upon the Commission to adopt rules which will minimize the impact on local stations irrespective of market size. To summarize, such rules should include the following:

- a. Prohibit local and national advertising;
- b. Subscription service only, on all DARS channels;
- c. Phasing in of DARS service, initially limited to home receivers (excluding receivers in vehicles);
- d. No land based repeaters, satellite distribution only;

- e. Commencement of DARS service conditioned upon functional in-band digital operation.

Respectfully submitted

MT. WILSON FM BROADCASTERS, INC.

By: _____
Robert B. Jacobi
Cohn and Marks
1333 New Hampshire Ave., N.W.
Suite 600
Washington, D.C. 20036

EXHIBIT A

Los Angeles Philharmonic Letter

THE LOS ANGELES PHILHARMONIC

Esa-Pekka Salonen
Music Director
C. Joseph LaBonte
Chairman of the Board
Robert S. Attiyeh
President
Ernest Fleischmann
*Executive Vice President
and Managing Director*

July 21, 1995

Secretary
Federal Communications Commission
Washington, D.C.

Dear Sir:

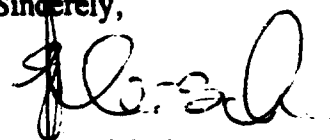
It has come to our attention that the federal government is proposing to license satellite radio stations capable of transmitting multiple formats, including classical music, on up to 50 different channels simultaneously throughout the nation. This, of course, would have a devastating economic impact on our local classical music station and, in turn, on the Los Angeles Philharmonic.

As a non-profit arts organization, we depend on the extraordinary support provided to us by the commercial classical station KKG0 FM 105.1 in Los Angeles. The station provides the Los Angeles Philharmonic with almost half a million dollars worth of public service time each year. This includes concert announcements, two weekend marathons to promote the Hollywood Bowl summer season and the Music Center winter season, a daily program allowing me to inform listeners about interesting future events, daily news coverage when the orchestra is on tour, a weekly Philharmonic Preview Hour, interviews with artists, and more.

With ever decreasing support from governmental and private sources, the L.A. Philharmonic cannot afford to lose its support from KKG0. This is not the time for government to undermine the local broadcast services that play such an important role in our city's cultural life while helping to provide employment opportunities for so many in the arts community.

I am writing this letter not only on behalf of our Orchestra but also on behalf of all the arts organizations in Los Angeles which KKG0 so selflessly assists on a year-round basis.

Sincerely,



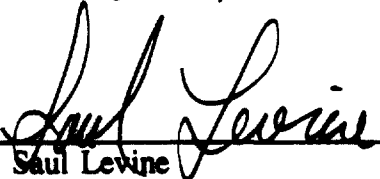
Ernest Fleischmann

DECLARATION

Saul Levine, President of Mount Wilson FM Broadcasters, Inc., hereby declares as follows:

I have read the "Comments" to be filed on behalf of Mount Wilson FM Broadcasters, Inc. The factual information contained in the "Comments" is true and correct to the best of my knowledge.

Dated: 9-12-95

Signed: 
Saul Levine

BEFORE THE

Federal Communications Commission

In the Matter of	)	IB Docket No. 95-91
	)	GEN Docket No. 90-357
	)	RM No. 8610
Establishment of Rules and Policies for the	)	PP-24
Digital Audio Radio Satellite Service in the	)	PP-86
2310-2360 MHZ Frequency Band	)	PP-87

To: The Commission

COMMENTS OF TICHENOR MEDIA SYSTEM, INC.

Tichenor Media System, Inc. ("Tichenor") submits the following Comments with respect to the Notice of Proposed Rule Making issued by the Commission on June 15, 1995, in the above-captioned proceeding on the proposed Digital Audio Radio Service ("DARS"), aka "satellite radio".

Tichenor License Corporation, a subsidiary of Tichenor Media System, Inc., is the licensee of the following radio stations:^{2/}

KGBT(AM), Harlingen, TX	KROM-FM, San Antonio, TX
KIWW-FM, Harlingen, TX	KLAT(AM), Houston, TX
KBNA(AM), El Paso, TX	KLTN-FM, Port Arthur, TX
KBNA-FM, El Paso, TX	KMPQ(AM), Rosenberg-Richmond, TX
KXTN(AM), San Antonio, TX	WIND(AM), Chicago, IL
KXTN-FM, San Antonio, TX	WOJO-FM, Evanston, IL
KCOR(AM), San Antonio, TX	

We strongly oppose the creation of "satellite radio."

^{2/} In addition, Tichenor Media System, Inc. operates KLTO-FM in Rosenberg-Richmond, Texas, and KAMA(AM), in El Paso, Texas, under local marketing agreements.

Each of our radio stations serves a very important element of the public interest, primarily Spanish-language listeners and speakers in communities with very substantial Hispanic populations. Implementation of the DARS service, particularly if advertiser supported, will significantly and adversely affect our stations' ability to continue the level of public service we have traditionally provided. This in turn will deprive our Hispanic and Spanish speaking communities of vital information.

Approximately one quarter of our total revenues come from national advertisers. If DARS were to come into existence with advertiser support and without the obligation and, indeed, without the ability to provide local public service (and likewise escape the associated cost burden), it would be in a position to drain revenues from us due to its inherently lower cost structure and ability to accept lower prices. This would have a tremendous negative impact on our revenues, which in turn will not allow us to provide the excellent public service we presently provide.

Supporters of DARS argue that "niche" communities would be better served through a "satellite radio" system. The Hispanic is a niche community that we believe would not benefit from this service. The majority of our listeners are Hispanic, but due to the diversity of their backgrounds (i.e., Mexicans, Puerto Ricans, Cubans, South Americans, etc.), local programming serves them best. Hispanics vary in their taste of programming according to their county of origin; how would DARS be able to serve these needs? Also, for example in the Chicago Hispanic community, our WIND-AM originated local observation of the Mexican celebration "Cinco de Mayo" (Fifth of May) which has become a tradition and yearly celebration for the Mexican/Hispanic community. How will DARS be able to accomplish something like this? It will not; rather, it will ruin our ability to do it at all.

Attached to these Comments are market-by-market descriptions of the significant local public service contributions of the Tichenor stations to the Hispanic communities which they serve. In each instance, that level of service would be severely jeopardized by the fragmentation of audience which would result from implementation of the proposed "satellite radio" service, as well as from the diminution of revenue which would occur if such a service were advertiser-supported rather than operated on a subscription basis. Implementation of the DARS would revisit on the radio industry in one fell swoop the financial crisis occasioned by the glut of stations created over a longer span of time pursuant to the Docket No. 80-90 allocations. Not even multiple ownership deregulation -- whether Congressionally or agency mandated -- would permit the industry, and particularly broadcasters concentrating their efforts on specialized programming and local service, to survive.

Finally, we also point out that a system of terrestrial repeaters, if the repeater is done through a local station, with the ability to originate local programming, would be unfair to existing terrestrial stations. These repeaters would give the appearance of localism but would not have either the obligation or the resources to provide local programs and issues that are provided by existing local terrestrial radio stations.

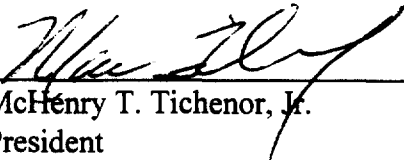
In conclusion, the Commission should take heed of the fact that surveys show that the public is overwhelmingly satisfied with the current system of radio broadcasting in this country. There is no outcry for satellite delivered service. There is no upside to the public in making a new satellite-originated service available, but rather a real threat that such a service could seriously endanger the world's most well-regarded radio industry and its ability to continue to effectively serve the local public needs and interests, as our stations do so well as documented herein.

For all these reasons, Tichenor Media System, Inc. opposes the Digital Audio Radio Service or "satellite radio".

Respectfully submitted

TICHENOR MEDIA SYSTEM, INC.

Dated: Sept. 11, 1995

By: 
McHenry T. Tichenor, Jr.
President

LA TREMENDA

KLAT

1010 AM

Estereo Latino

KLTN

93.3 FM 105 FM

Radio Impacto

KMPQ

980 AM

1415 NORTH LOOP WEST SUITE 400 HOUSTON, TEXAS 77008 (713) 868-4344 FAX (713) 868-5947

August 21, 1995

Statement concerning impact of satellite radio on stations KLAT, La Tremenda licensed to Houston, Texas, KLTN, Estereo Latino licensed to Port Arthur, Texas, KMPQ, Radio Impacto licensed to Rosenberg-Richmond, and KLTO licensed to Rosenberg-Richmond, Texas.

The following is a brief explanation on our different local public affairs programs, public service programming, events and activities our stations have for our market.

PUBLIC SERVICE ANNOUNCEMENTS -

All Public Service Announcements which is of general public interest promoted by a non-profit organization air on KLAT-La Tremenda, KLTN-Estereo Latino, KMPQ-Radio Impacto and KLTO are live with 20-second duration once per hour on each station.

PUBLIC AFFAIR PROGRAMS -

"LA VOZ DEL PUEBLO"

Public affairs program on KLAT La Tremenda. "La Voz del Pueblo" (People's Voice), is a daily (Monday to Friday) local, live two-hour public affairs program. Topics: Education, Health Care, Crime, Drugs, and information of interest to Hispanics. The program format features an interview with a guest and telephone calls from the public. Host and producer: Rolando Becerra. Live program aired Monday through Friday for two-hours from 12:00 Noon to 2:00 P.M.

Statement/Satellite Radio

Page #2

August 21, 1995

"HISD PERSPECTIVES"

KLAT simulcast in Spanish this program which originates with Channel 8 TV. It is translated into Spanish simultaneously by Arturo Sanchez, Ph.D., and Gladys Romeu. The program is dedicated to educational issues and it is produced by the Houston Independent School District. Live half an hour program, twice a month.

"SUCESOS"

KMPQ-Radio Impacto "Sucesos" , (Current Events), is a daily (Monday to Friday) local, live one hour public affairs program. Topics: Education, Health Care, Crime, Drugs, and information of interest to Hispanics. The program format features an interview with a guest for half an hour and telephone calls from the public for the rest of the program. Host and producer: Carlos Lopez. Live program aired Monday through Friday for one hour from 1:00 Noon to 2:00 P.M.

"EN LA COMUNIDAD"

KLTN-Estereo Latino (In the Community), is a local, taped, fifteen minute public affairs program, aired on Sunday. One program airs from 9:00 AM to 9:15 AM and a second program on a different topic from 11:00 PM - 11:15 PM. The host interviews a community leader about events, problems or community issues.

"SUCESOS"

(Current Events), is a local, taped, half an-hour public affairs program, aired on Sundays on KLTO-Estereo Latino. The program airs from 7:00 AM to 7:30 AM. The host interviews a community leader about events, problems or community issues.